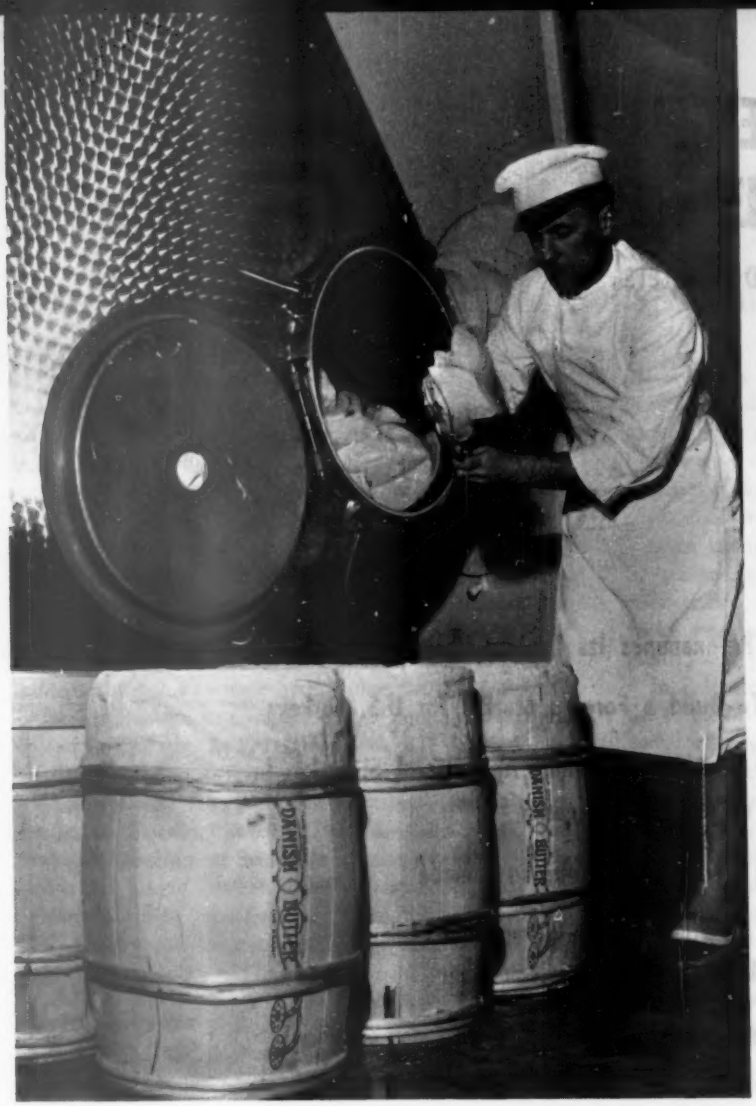

APRIL 8, 1963

EFTA RE-EXAMINES
ITS TRADING POSITION

BUILDING FOREIGN MARKETS
FOR U.S. TURKEYS

SELLING HOGS BY TELETYPE

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

THE UNIVERSITY
OF MICHIGAN

PERIODICAL
READING ROOM

A WEEKLY MAGAZINE OF THE UNITED STATES DEPARTMENT OF AGRICULTURE
FOREIGN AGRICULTURAL SERVICE

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

APRIL 8, 1963

VOLUME 1 • NUMBER 14

Danish butter is packed for export to Great Britain. Among the EFTA countries, Denmark is biggest exporter of farm products. (See EFTA article, opposite page.)

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Foreign Agriculture is published weekly by the Foreign Agricultural Service, United States Department of Agriculture, Washington 25, D. C. Use of funds for printing this publication has been approved by the Director of the Bureau of the Budget (December 22, 1962). Yearly subscription rate is $5.50, domestic, $8.00, foreign; single copies are 15 cents. Orders should be sent to the Superintendent of Documents, Government Printing Office, Washington 25, D. C.

DEPOSITED BY THE
UNITED STATES OF AMERICA

EFTA Re-Examines Its Trading Position

—in light of the Common Market's exclusion of Great Britain

The Common Market's veto of the United Kingdom's bid for membership came as a blow to the seven countries of the European Free Trade Association (EFTA) that had expected to follow Britain into the Community. Today none of these countries has withdrawn its petition, but except for Austria which feels that perhaps the time is ripe for entry, they have all adopted a wait-and-see attitude.

Meeting in Geneva on February 18, the EFTA Ministerial Council issued a communique regretting the setback that this has meant to the economic integration of Europe and stating that EFTA's task for the present must be to provide a further stimulus to trade by pursuing the dismantlement of barriers between its members. The Council also pledged the support of the EFTA countries to "all practical proposals designed to increase world trade."

Meanwhile, in the countries themselves—Great Britain, Denmark, Norway, Sweden, Austria, Switzerland, and Portugal—government leaders have been assessing the situation and asking, "What now?" From U.S. agricultural attachés in these countries have come the following reports which throw some light on the question as it pertains to agricultural policy and trade.

United Kingdom

The United Kingdom's agricultural planning during the past 2 years has been based largely on the assumption of the country's entering the Common Market. Since the breakdown of negotiations, there has not been time to formulate an entirely new policy. Nor is it clear whether fundamental changes will be needed in the present system of support to local farmers through direct government payments based on guaranteed prices to producers.

Some changes are inevitable and have been indicated by statements of government officials. The recent announcement of the results of the annual price review, which establishes the level of the guaranteed prices, also points the way toward future trends.

In a debate in the House of Commons on February 12, the Prime Minister stated that "the present system of open-ended subsidy on a number of items, combined with free entry often at far lower prices, has serious drawbacks." He also confirmed the need for "a strong and prosperous agricultural industry."

Mr. Harold Woolley, president of the powerful National Farmers' Union, has repeatedly pointed out that "the system we operate under, the 1947 and 1957 Acts, is ideally suited for the circumstances of this country" and that "it would be a reckless folly to scrap the structure that is regarded with admiration and indeed with some envy by many foreign countries."

Some feel that Britain's policy now will be directed toward preparing for entry into the European Economic

Swiss haying scene, typical of EFTA countries

Among those at the EFTA meeting in Geneva in mid-February were, left to right: Swedish Minister of Agriculture Holmquist; Swiss Foreign Minister Wahlen; Austrian Minister of Trade Bock; Austrian Foreign Minister Kreisky; Swedish Minister of Trade Lange; and Swiss Minister of Commerce Schaffner.

Community at some not too distant future. Mr. Edward Heath, chief negotiator for Great Britain, on January 30 in his concluding speech of the final meeting between the "Six" and Britain, stated that "we in Britain are not going to turn our back on Europe," and later in the House of Commons he said, "We shall seek to coordinate our policies with the Community as far as possible."

It must be borne in mind that the United Kingdom is primarily an industrial country, and since its industry must compete in world markets, it is preferable to keep food prices down. In doing so, Britain does not intend to abandon its own agriculture, which assures certain home supplies and saves foreign exchange. On numerous occasions, also, officials have reiterated that Britain will not turn its back on its Commonwealth countries, its EFTA partners, or other countries which provide markets for British industrial products in exchange for the right to sell produce in this, the largest agricultural import market in the world.

With this rather complicated task, it would appear that long-time changes in agricultural policy will probably be made very gradually. The present level of home production, which provides about half of the food requirements of the country, is considered by the Minister of Agriculture, according to his recent statement, as being about right. Changes in the policy suggest a gradual reduction of the present large outlays by the Exchequer for direct payments to farmers.

The Minister of Agriculture, in his announcement of the recent price review, mentioned that since British farmers are being asked to restrict their production, steps may be necessary also to curtail imports, particularly where the volume is such as to endanger the price structure on the local markets and to result in a larger outlay by the Exchequer.

—Robert N. Anderson

Denmark

Although Danish leaders were dismayed by the breakdown of EEC-UK negotiations to which its own membership application was tied, the government stated it would not consider membership or association at this time without British participation. Also, that if the British could work out some form of association with the EEC, Denmark would be interested in a similar arrangement, provided its agricultural products could enter on the same basis as those of member countries.

At the February EFTA Ministerial Council meeting at Geneva, the Danish Government proposed a further acceleration of intra-EFTA tariff reductions on manufactured products to keep in step with the EEC, in return for which broader coverage for agricultural products was sought from other member countries. As a result, the permanent EFTA Council is expected to investigate the possibilities for reducing tariffs on agricultural commodities and the feasibilities of annual reviews of agricultural developments within the EFTA.

The Danish Government is negotiating with Britain, Sweden, and other countries in an attempt to find new or larger outlets for its products now sold to Germany and other Common Market countries. Only Britain is a large enough market to be of much help. However, Britain already buys 70 percent of its bacon imports from Denmark, and there is no restriction on imports. When Denmark requested an increase in the British quota for Danish butter, the British Government responded by increasing the quotas for all suppliers by 5 percent, but this will be of only modest assistance to Danish farmers.

Danish agricultural leaders maintain that it is essential to continue to sell a large part of Danish farm products in West Germany, and strenuous efforts will be made to maintain the entry into that market. They feel that Germany should realize that Denmark buys more there than it sells and should arrange with the EEC to make special arrangements to permit entry of Danish agricultural products. The recent West German-Polish trade agreement increasing agricultural imports from Poland was mentioned as an example of special arrangements.

Agricultural leaders also feel that neighboring countries should realize that Denmark has no natural resources other than its soil and should permit Denmark to sell its products at prices covering the costs of production. In spite of

Left, prosperous Norwegian farm. Norway is a food-deficit country with high support prices for both grain and livestock products.

Famous Danish Landrace pigs are scientifically fed so they will produce the maximum of lean meat and the minimum of fat for a given amount of feed.

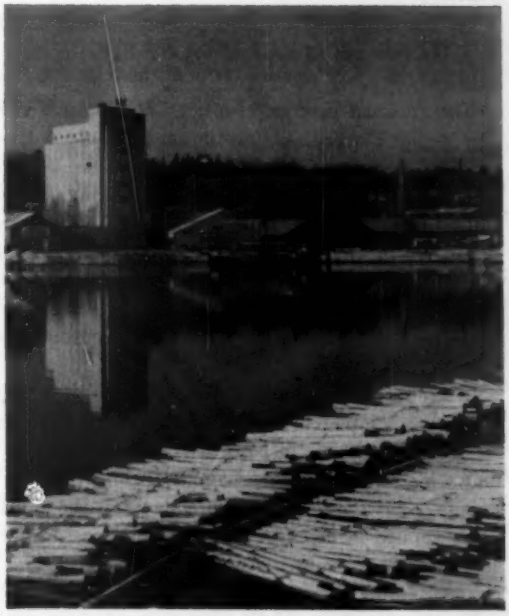
problems, they feel that they can arrange for continuing exports during the next few years.—Harold L. Koeller

Norway

After the rupture of the United Kingdom's negotiations with the EEC, the Norwegian Government stated that there is absolutely no question of Norway's joining the Common Market unless the United Kingdom joins. Government spokesmen stressed the necessity to seek, mainly in the EFTA, Nordic Council, and OECD, ways and means of finding a solution of current difficulties. They continued to emphasize, however, that the eventual goal of an expanded EEC remains valid for Norway.

Norway's agricultural leaders have not been so concerned with the postponement of Norway's possible adherence to the EEC as their counterparts in neighboring Denmark. This is due to the fact that Norway is a food-deficit country, with high support prices for both grain and livestock products to encourage uneconomic production for "security" reasons. While many agricultural leaders had come gradually to the conclusion that Norwegian agriculture could adjust to Common Market price levels and competition without unbearably difficult problems, a considerable number of them continue to believe that EEC membership would be difficult if not disastrous for a large part of Norwegian farmers.

Certainly, membership would make necessary the discontinuation of many subsidies now enjoyed by Norwegian agriculture as well as some shift in both crop and livestock production patterns. A large number of farms, especially those in the mountains and on poor soils, must be considered marginal from an economic viewpoint, and most of these would disappear after EEC membership. Larger farms on the better soils probably could adjust to Common Market conditions through shifting from one crop to another and from one livestock product to another, or from grain to livestock; and by becoming more efficient through use of more or better machinery, more fertilizer and pesticides, improved seeds, and higher-producing livestock. In the meantime, Norwegian agriculture expects to go along



Swedish scene—cooperative grain elevator, and in foreground, timber that has been floated down river from cutting area to the saw mill.

about as it has been, with the same subsidization and the same surpluses of certain livestock products which are difficult to export, and only then with costly subsidies.

—Harold L. Koeller

Sweden

Though the Swedish Government had assumed that the negotiations between the United Kingdom and the EEC would be successful, their breakdown was no cause of despair, and it implied no catastrophe for Sweden.

Sweden would, of course, continue to work toward Europe's economic integration. Its application for association with the Community has not been withdrawn; however, it is up to the EEC to make the next move. Meanwhile, Sweden along with the other EFTA countries is working to strengthen cooperation within the Association.

Sweden has been and still is the most successful country in the world in implementing its agricultural production policy. For some years, agricultural output has remained unchanged.

The country's foreign trade is carried out largely with the countries of the two European trade groups—EFTA and EEC. For that reason, Sweden feels it necessary to keep EFTA tariff and trade barrier reductions abreast of those occurring in the EEC so as to make the ultimately expected merger as painless as possible.

In 1962, 36 percent of Sweden's agricultural exports were to the EFTA countries, including the United Kingdom, and 44 percent to the EEC area. Trade with the EEC seems to be on the increase at the expense of trade with EFTA nations. In general, traditional production and trade patterns will persist, at least for the next few years.

—Einar Jensen

Austria

Of the seven EFTA countries, only Austria is currently thinking in terms of approaching the EEC for early membership.

The Austrian Foreign Minister, Dr. Bruno Kreisky, together with Dr. Fritz Bock, Minister of Trade, outlined the Austrian position to the EFTA nations at the Geneva conference in mid-February. While reiterating his government's resolution to solidify its ties with EFTA nations, Dr. Kreisky pointed out that preservation of Austria's export markets in the EEC was the country's foremost economic problem. Some 50 percent of all Austrian exports go to the EEC, and the proposed tariff adjustments in the common external tariff to be put into effect by July 1, 1963, will complicate and intensify Austria's export problem.

Because 75 percent of its exports go to EEC nations, Austrian agriculture, in particular, Dr. Kreisky said, must find some arrangement to continue trading with the Community. The substitution of variable levies for tariffs, now being applied by the EEC, would raise almost insurmountable barriers to Austrian exports of livestock and dairy products to the Community, he added.

For Austria, the immediate alternative to continued high trade levels with EEC countries is an expansion of trade with Soviet Bloc nations. Both in terms of commodity availabilities and economic dependence on such trade, this alternative is believed to be so economically unattractive and politically dangerous as to make it an option for consideration only if other arrangements do not materialize.

Austria must, therefore, in the opinion of its leaders, press for an early association with the European Common Market. It intends to do so, and was gratified that the remaining EFTA nations approved of this action at the recent (February 18) Geneva conference. The Soviet Union has, meanwhile, re-emphasized its position that Austrian associate membership with the EEC is "incompatible with the obligation assumed under the 1955 State Treaty."

—Norris C. Ellertson

Switzerland

Switzerland's interest is grounded deeply in the historical, economic, and political relationships between Switzerland and the member countries of the EEC, as well as its fellow members in EFTA. The veto of the British application for membership in the EEC was a surprise to them. They considered that their associate membership in the Community depended to a great extent upon the success of Britain and ultimately other nations becoming full members. And while the Swiss have no intention of withdrawing their proposal for associate membership, they feel that time will be required to effect a readjustment of conditions brought about by the veto.

Switzerland has a keen interest in European integration and has repeatedly expressed its desire to continue to occupy a place in a unified Europe and its economic affairs. The country's agriculture continues to be a problem —both on the domestic and the international level. Its high agricultural costs and the desire to encourage the support of the agricultural economy to the point of subsidizing production remain major problems. Furthermore, there is a definite trend in the reduction of the active farm population of the country.

Swiss leaders plan no further formal initiative with respect to membership in the EEC at the present time. They are maintaining a position of waiting for developments from forthcoming conferences of other international bodies, including the EFTA meetings in May, and the outcome of negotiations in the GATT. In the meantime, they hope to develop some type of relationship with the Common Market countries.

—Print Hudson

Portugal

Portugal feels that it is to its advantage to become a member of the Common Market, either as an associate or full member. The country had wanted to join along with Great Britain, but now that Britain is not to be admitted at this time, Portugal may reappraise its position.

Portugal has had important trading arrangements with Britain for many years, and naturally wants to retain them. A large portion of its trade is with OECD countries, and a fairly large portion of it with EEC countries, but more of it is with Britain.

In 1962 Portugal's chief exports were fish, cork, textiles, and Port wine, going mostly to the United States, Great Britain, and its European trading partners.

—Roy Sellers

How To Build a Foreign Market for U.S. Turkeys

David L. Hume, Assistant Administrator, Foreign Agricultural Service, tells the Pacific Dairy and Poultry Association why we should try to sell our turkeys abroad—and how to go about it.

Turkeys have been featured at most U.S. trade exhibits abroad, so that many Europeans are familiar with them.

It is particularly timely that today we should be discussing the foreign aspects of our poultry business. We are in a real sense at the fork of the road, with two directions facing us—and alternatives always require decisions.

We are faced on the one hand with the force of protectionism evolving in our most valuable overseas market—Western Europe. This protectionism is expressing itself in several forms, but mainly in the fields of economics, and in sanitary and health barriers to trade. These are real problems and could give the fainthearted cause for taking that fork of the road which leads away from exports, which turns inward, and which withdraws from the insecurity of the new lands far from home. Some will take this road, and, no doubt their businesses will flourish and expand (at least for the time being) because in truth, the lifeblood of the U.S. poultry industry—unlike those of the Netherlands and Denmark—is its domestic market.

But there is another fork which I believe some of us will consciously continue to follow, and this one leads to those markets far away from home.

Decade of change

Ten years ago our most important foreign customer for turkeys was Canada. Today our most important foreign offshore customer is West Germany. Ten years ago exports of turkeys at around 5 million pounds per year were less than 1 percent of total U.S. production. Last year turkey exports were 37 million pounds, which amounted to 3 percent of national production. Furthermore, 10 years ago turkeys were exported to three or four foreign countries, whereas now they are going to some 50 countries.

The changes in the nature of our products are familiar to you all. I need only to remind you of the great variety in our turkey products today as compared to 10 years ago when we offered virtually a single item: New York dressed, fresh chilled or frozen.

When considered in the backdrop of the total business of the industry the foreign deal is indeed a modest affair. However, turkey exports generally move overseas in greatest volume in August, September, and October, a period when even small additional demand can be very valuable to the total market, including returns of producers. In 1961 about 40 percent of the annual volume moved during these three months. Indeed, the top economist of a national merchandising organization told me that his calculations indicated that the approximately 18 million pounds of turkeys exported in 1959 accounted for about 1-½ cents per pound in improved returns of turkey producers during the peak of their marketings in the fall of that year.

In other words, at times when supply and demand approximately balance, it doesn't take very much additional demand to account for a relatively large increase in price. Exports can and do contribute to this "additional" demand.

It is worth emphasizing, that even though exports of turkeys may be relatively small, they can have an extremely important and beneficial effect on returns to producers. And turkey exports are growing. In 1962 they were 32 percent greater than in 1961—even with the Common Market and the year-end dock strike.

Steps to take

Some of the most frequent questions which those of us engaged in servicing the foreign market receive are: How can I get into this business? How can I find out how it's done? And how can I do this without overextending my time and resources? Frankly, these are difficult questions to answer.

Most of you know as well as I that every producer and dealer in our industry—of turkeys and other products too—is looking for the big-volume customer. This is understandable. It is no secret that in America the margin of profit in our industry has been pinched down to the point where it is essential for trade to be conducted in large volumes so that an individual can take enough money home to pay his rent and feed and clothe himself and family.

Generally speaking, the state of the foreign market at this time does not lend itself to the prospects of immediately obtaining large volumes of trade. Turkeys, in particular, are new in many parts of the world, and therefore it is necessary to start on the basis of small samples.

And so we are talking to a large extent about a pioneering job that remains to be done. There are ways, however, by which you can gradually move in and begin to gain background in the foreign field without too much investment.

First, I would write letters to agricultural attachés at American embassies in countries in which I was interested. A number of these replies will be discouraging. The reason for this is that they will be truthful replies, for I can tell you now there is not much prospect for immediate carlot business for turkeys or U.S. broilers in India or Thailand or Iran, Colombia, and scores of other countries. The important thing is, however, you will learn something from every single letter you write, every reply you receive.

We in the Foreign Agricultural Service in Washington have lists of potential and actual customers of U.S. poultry products in a number of countries. You can obtain these lists by requesting them from us. Write to these people, describe your products, and ask them to tell you what they can use.

Find out from the foreign department of a bank something about prospects for doing business in foreign countries. Through the proper use of a letter of credit you can frequently do export business with less financial risk than you can making open sales to a customer within the United States. Also, your bank may be able to give you leads to potential customers.

Visit your U.S. Department of Commerce field office. Through the years the Department of Commerce has published much information regarding the economies, marketing systems, import regulations, packaging requirements, and other facts helpful in understanding foreign marketing. These publications are available to you at modest prices.

You can do all of these things without investing a great deal of money and time. If you are not already doing business, eventually this activity will lead you to an actual sale. Sooner or later you will make two sales, and it will not be long before you will be an exporter and may even have enough business to justify a foreign trip to your new markets.

Varied Problems Highlight Agricultural Situation in Lands of Asia and Oceania

Agriculture played its customary key role in the economies of Asia and Oceania during 1962. In the Far East, a wide variety of problems relating to farm commodities contributed to the slowed pace of economic advance in many countries. In Communist China, the continuing food crisis forced a strong new emphasis upon agriculture over industry. In Australia and New Zealand, steady economic progress was occasionally hampered by balance of payments difficulties arising from shifting farm export patterns.

Far East advances slowly

Total agricultural production in the Far East rose 2 points, but the rate of increase has become more gradual over the past few years, and per capita output has remained nearly unchanged for the last 3.

Of the area's agricultural imports in fiscal 1962, totaling more than $3 billion, the United States supplied $1,180 million—about 14 percent less than the year before but well above the 1956-60 average. Most of the decline occurred in exports of cotton to Japan and of grain to India and Pakistan. About half the U.S. farm shipments to the area moved under U.S. Government programs. Biggest cash customers were Japan and the Philippines.

From Far Eastern countries, the United States bought about $700 million worth of argicultural products in fiscal 1962 — chiefly sugar, rubber, coconut products, and tea. About a third of the total came from the Philippines; another third, from India, Indonesia, and Malaya combined.

The economy of *Japan*—the area's best cash customer for U.S. farm products—was still the world's fastest growing, though it slowed somewhat in response to government actions protecting foreign exchange reserves and to a slump in the cotton textile industry. Agriculture remained highly productive, but its emphasis is shifting from cereals toward fruits, vegetables, and livestock products as the Japanese diet improves.

In *India,* the economy also continued to grow, but at a reduced rate, largely owing to the disappointing lag in the rise of agricultural production. India's chronic trade deficit had to be battled by stimulating exports and cutting commercial imports, though food grains and cotton continued to come under Public Law 480.

China's crisis continues

In April 1962, the Chinese Communists declared an "agriculture first" policy. Industry was directed to concentrate on production of chemical fertilizers, insecticides, and farm tools; labor was shifted to rural areas; the communes were downgraded, private plots and some free marketing were permitted.

The food crisis may now have eased slightly in the absence of natural disasters. Grain imports declined somewhat in 1962, though still between 4 and 5 million tons. Imports are scheduled to continue in 1963.

Oceania moves ahead

In *Australia,* a recent excess of imports was offset by an inflow of foreign capital, and major export prices were favorable, owing to large sales of wheat to Mainland China, wool to Japan, and meat to the United States. These and other sales may help compensate for the possible loss of U.K. dairy markets. In *New Zealand,* the payments problem, though acute, is improving. A highly restrictive import licensing program adopted early in the year was later eased as export earnings turned upward. New Zealand too seeks new markets, hedging against U.K. sales losses.

Based on The 1963 Far East, Communist China, Oceania Agricultural Situation, published in March by USDA's Economic Research Service and obtainable from the Division of Information, Management Operations Staff, USDA, Washington 25, D.C.

Selling Hogs by Teletype in Canada

Ontario's hog producers have come up with a novel way of marketing hogs that has resulted in higher returns to farmers and processors alike. They sell their hogs electronically by teletype.

This electronic hog-selling system—2 years old this May—is the brainchild of the Hog Producers Marketing Board of Ontario, Canada's most important hog-producing and pork-consuming province. It consists of a master teletype machine in Toronto, over which all the commercial slaughter hogs going to plants having Federal Government grading are offered for sale. The master teletype connects with teletype buying machines in 17 packaging houses across Ontario and one in Quebec.

For about 10 years, Ontario's hog producers had tried to develop a cooperative sales agency that would handle their hog marketings successfully. It was difficult for farmers to know the market price when less than 15 percent of the hogs were shipped through the terminal markets. Also, truckers and shippers sometimes became affiliated with packing plants, and hogs were often delivered, even slaughtered, before the price had been established.

Armed with a favorable referendum to establish a marketing board, producers tried several marketing methods. None was completely satisfactory. Finally, they asked the Bell Telephone Company of Canada to develop a central teletype system for marketing hogs.

Selling by teletype operates this way: Farmers deliver their hogs to one of 45 assembly yards managed by the Hog Producers Board, now the exclusive buying agency in Canada. There, the hogs are marked with tattoos denoting ownership and are assembled into truck loads or multiples of such. The assembly yard manager then telephones the central office in Toronto to give the number of hogs in each lot ready for sale.

Every Monday the central office, after reviewing the supply and demand for hogs together with the closing price for the previous week, sets the starting price for the machine.

The master teletype lowers the price 5 cents per cwt. until one of the operators at the 18 buying centers presses a button, thus signifying that someone wants to make a purchase. The teletype then stops, and a light flashes in the central office giving the buyer's number. If the price drops $1 before a sale has been made, the general managers decide whether to offer the lot again that day at a lower starting price, or to hold it over until the following day's sale.

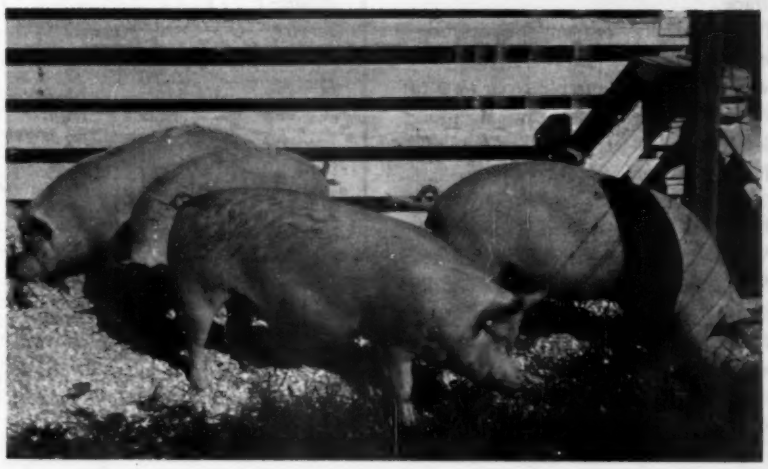
After the purchased hogs have been slaughtered at the packing plant, a government official grades the carcasses. The packing plant pays the Ontario Hog Producers Marketing Board for each carcass on the basis of grade and weight.

So far, hog producers have been well satisfied with the teletype setup. Though the Producers Board charges the farmer 42 cents per head to cover operating costs, most farmers believe they are receiving a fair price for their hogs, partly because there are no "hidden costs" to the producer. Results of the first 20 months of teletype selling show that Canadian hog prices have averaged $3 to $5 per hundred live weight higher than those in the United States.

Meat processors find the system satisfactory too. Every buyer has an equal opportunity to obtain the volume he wants at a given price, which the buyers themselves can establish.

Like anything new, teletype selling has yet to endure the test of time. Meanwhile, the system continues to build a good name for itself among the hog producers of Ontario—and of the whole of North American—who are watching the Canadian experiment with interest.

—FRED J. ROSSITER



Right, master teletype that sends data about hogs for sale to the 18 buying centers. Below, Yorkshire hogs, typical breed marketed.

Major Agricultural Fair—Symposium Scheduled for Europe in November

A major U.S. food and agricultural exhibit-symposium will be held in Western Europe this fall by the United States Department of Agriculture and cooperating U.S. food and agricultural groups.

The exhibit will take place November 7-24 at the R.A.I. Exhibition Building in Amsterdam, the Netherlands, one of the Continent's leading exhibition sites. Widespread attendance from all of Western Europe will be invited. The active two-way trade relations of Europe and the United States will be emphasized.

U.S. Secretary of Agriculture Orville Freeman, in making the announcement said: "This symposium-exhibit will be presented in a context of Western Europe and the United States as the world's most active trading partners, with food and agriculture a highly important part of this trade.

"In carrying out any business operation of the magnitude of this two-way trade, it is desirable from time to time to take inventory, examine problems constructively, and seek mutually helpful answers.

"At the symposium we hope to bring together respected leaders from Western Europe and the United States to discuss in an open friendly atmosphere a wide range of matters that concern our respective food and agricultural relationships, including those of technology, marketing and distribution, and trade policy.

"For example, the rapid advancements in food and agricultural technology, in Europe, in the United States, and elsewhere, have introduced many new questions of a purely scientific and technical nature, affecting internal production and distribution as well as international trade.

"We will do our best to make the program timely and pertinent, of as much interest and value to our European friends as we expect it to be to ourselves."

The food and agriculture exhibition in Amsterdam will be part of the continuing series of exhibits that the Department has been sponsoring throughout the world since 1955, mainly at international trade fairs.

U.S. firms and organizations wishing information about participation in the Amsterdam Exhibit-Symposium, may write to either of the following addresses:

International Trade Fairs Division, Foreign Agricultural Service, U.S. Department of Agriculture, Washington 25, D.C.;

Food and Agriculture Information Center for European-American Trade, c/o R.A.I. Exhibition Building, Amsterdam, the Netherlands.

The program will offer attractions both to the general public and to trade representatives of the Continent.

- A "theme theater" production will provide a dramatic introduction as the first point in the exhibit.
- One of the largest displays—covering 16,000 square feet—will be a modern food market offering for sale an array of U.S. food products. U.S. trade cooperators will have special booths promoting poultry, rice, fruits and vegetables, wheat, meat, and soybean products, honey, and processed food items.
- A complementary exhibit, relating to the extensive two-way trade between Europe and the United States, will display the wide variety of European products that U.S. consumers buy.
- About 20,000 square feet will be rented to U.S. and associated European commercial firms that process foods made from U.S. raw agricultural materials, or distribute U.S. foods. These firms will demonstrate, sell, and hand out samples of their products. Also, there will be exhibits of seeds and feedstuffs and products made from U.S. hides and skins and tobacco leaf.
- Displays and demonstrations of U.S. inspection and grading procedures will show European consumers that U.S. farm exports must meet high standards. They will also indicate how U.S. methods of protecting and improving food quality can be adapted to West European needs.
- At least two major demonstration kitchens, supervised by trade representatives and home economists, will prepare U.S. foods for sampling. A U.S.-style barbecue exhibit will also prepare U.S. foods for sampling.
- A trade lounge will provide a place for European trade representatives and businessmen to meet with their U.S. counterparts.

CROPS AND MARKETS

Northern Ireland Searchs for Pork Outlets

Three Northern Ireland bacon-producing firms are cooperating with the pig marketing board in an effort to find new outlets for pork in the United States and Canada.

A fourth test pork shipment is enroute to Canada by ship in special refrigerated containers. Two trial shipments have already gone to Canada and one to the United States. Each consignment weighed about 10 tons.

An officer of the pig marketing board reported that, before it was possible to ship the trial runs, representatives from each of the three companies had to go to Canada to learn all about cutting techniques there. The carcasses were then cut and trimmed in accordance with the Canadian requirements and shipped uncured ready for meat packers in Canada. The three completed trial shipments have all been received by different firms and each has arrived satisfactorily.

Australian Meat Shipments to the U.S.

Three ships left Australia the first and second weeks of March with 12,541,760 pounds of beef, 3,017,280 pounds of mutton, 188,160 pounds of lamb and 22,400 pounds of variety meats for the United States.

Ship and sailing date	Destination [1]	Arrival date	Cargo	Quantity
Eastern and Gulf ports:				*Pounds*
Lake Ontario, Mar. 8	New Orleans	Apr. 1	Beef	857,920
			Mutton	940,800
	Tampa	Apr. 4	Beef	824,320
			Mutton	434,560
	Houston	Apr. 8	Beef	367,360
			Mutton	353,920
	Philadelphia	Apr. 11	Beef	349,440
			Mutton	145,600
	New York	Apr. 18	Beef	3,214,400
			Mutton	519,680
	Boston	Apr. 19	Beef	396,480
Nottingham, Mar. 12	Everglades	Apr. 7	Beef	723,520
			Var. meats	6,720
	Charleston	Apr. 10	Beef	33,600
			Mutton	170,240
	Norfolk	Apr. 12	Beef	221,760
			Mutton	112,000
	New York	Apr. 14	Beef	3,463,040
			Mutton	168,000
			Lamb	33,600
	Boston	Apr. 24	Beef	499,520
			Mutton	33,600
			Var. meats	15,680
	Philadelphia	Apr. 26	Beef	613,760
			Lamb	123,200
Western ports:				
Sierra, Mar. 9	Los Angeles	Mar. 28	Beef	353,920
			Mutton	100,800
	San Francisco	Mar. 31	Beef	154,560
			Mutton	38,080
			Lamb	31,360
	Seattle	Apr. 6	Beef	291,200
	Portland	Apr. 8	Beef	176,960

[1] Cities listed indicate location of purchaser and usually the port of arrival, but meat may be diverted to other areas for sale.

Ecuador Plans a Better Livestock Economy

In line with the further development of its livestock industry, the Government of Ecuador was recently granted $500,000 from the U.S. Export-Import Bank for the purchase of 400 beef cattle and 200 dairy cattle from the United States. The government has also requested $1 million from the United Nation's Special Fund to be used partly for equipment and scholarships for the School of Agriculture and Veterinary Science, University of Guayaquil. The government plans to match funds for this project by providing land, cattle, and crops.

The control of livestock diseases is very important for the development of a versatile livestock industry in Ecuador. During the past year, several provinces along the coast, including Guayas, Eloro, and Las Rios, continued to report foot-and-mouth disease outbreaks. Venezuela has offered to provide Ecuador with 100,000 units of vaccine to combat this problem.

A Dutch firm has been authorized to extend to Ecuador $3.6 million for the purposes of importing dairy cattle, establishing a quarantine station, and providing more technical aid and training for Ecuadoran veterinarians.

New Zealand Meat Shipments to the U.S.

Eight ships are scheuled to leave New Zealand during April with 26,544,000 pounds of meat for the United States—21,616,000 pounds for the East Coast, and 4,928,000 pounds for the West Coast.

Ship	Sailing date	Destination	Quantity
			1,000 pounds
New Zealand Star	April 6	East Coast	6,272
City of Birkenhead	April 23	do.	560
Delphic [1]		do.	3,584
Port Jackson	April 30	do.	11,200
Monterey	April 5	West Coast	448
Saracen	April 20	do.	3,920
Oronsay	April 22	do.	224
Mariposa	April 30	do.	336

[1] Originally to sail March 30; now sailing April 23.

Frost Reduces Taiwan's 1963 Tobacco Harvest

The prolonged cold weather in Taiwan during January caused extensive front damage to one-third of the 1962-63 tobacco acreage.

Harvest is currently placed at 32.2 million pounds, compared with the earlier pre-frost forecast of 38.0 million and the 1962 harvest of 33.6 million.

After declining for a number of years, planted acreage turned upward this season in response to government policy of supplying domestic requirements from the local crops as far as possible and affording the opportunity to export some of the lower grades of flue-cured as an additional foreign exchange earner. However, the frost nullified the prospective goals.

Planted acreage this season is placed at 21,720 acres, compared with 18,300 acres in 1962. Most of the increase occurred in the Pingtung and Taichung areas.

West German Cigarette Sales Greater

Cigarette sales in West Germany (including West Berlin) continued to rise in 1962, while the sales of the other tobacco products continued their downward trends.

Sales of cigarettes during 1962 totaled 83.3 billion pieces—up 6.7 percent from the 78.0 billion sold in 1961. The average retail price was equivalent to 41.8 U.S. cents per package of 20, unchanged from the preceding year. The per capita consumption by persons 15 years old and over during 1962, was 1,858 pieces, compared with 1,756 pieces for 1961, and 1,619 pieces for 1960. Filter-tipped cigarettes continued to grow in popularity and accounted for 75.9 percent of total sales, compared with 72.8 percent in 1961.

Sales of cigars, at 3,988 million pieces, were down 3 percent from the 4,112 million pieces sold during 1961. The average price per cigar rose to 5.7 cents from 5.5 cents for 1961. The per capita consumption by persons 15 years old and over for last year totaled 89 pieces, compared with 93 and 100 pieces for 1961 and 1960.

Sales of fine-cut smoking tobacco were 4.9 percent below the 17.4 million pounds sold in 1961. The sales of pipe tobaccos totaled 3.6 million pounds, down 9.5 percent from the 1961 level of 4.0 million. Sales of fine-cut chewing tobacco were also down 3.6 percent.

Greek Cigarette Output Continues To Rise

Cigarette production for domestic consumption in Greece continued to rise through the first 9 months of 1962. Cigarette output totaled 20.8 million pounds—up 3 percent from the 20.2 million produced in Jan.-Sept. 1961. If the percentage gain continued through the fourth quarter of 1962, output for full calendar year 1962 will have approached 28 million, compared with 27.1 million for 1961.

Flue-Cured Auction Sales Open in Rhodesia

Auction sales for the 1963 Rhodesian flue-cured crop opened in Salisbury on March 12. Grower prices during the first 3 days averaged the equivalent of 42.4 U.S. cents per pound, compared with 43.9 cents during the first week last year. A total of 2.4 million pounds were sold, compared with 2.3 million pounds last year.

Denmark's Cotton Industry Thriving

Denmark's cotton industry, unlike those of most Western European countries, has been busy during the first half of 1962-63. Domestic demand continued firm, although the industry faced strong competition from imports.

Mill consumption of cotton, which totaled 22,000 bales (500 pounds gross) during the first half (August-January) of the current season, was about the same as in this period last season, and reflects a continued high rate of offtake. If the present rate continues, total consumption this season will be near the 43,000 bales used in 1961-62.

Imports of cotton into Denmark for the first half of the current season totaled 19,000 bales, compared with 18,000 a year earlier. The U.S. share of the total, at 6,000 bales each year, was only fractionally smaller this season. Other major suppliers of cotton to Denmark include Peru, Nigeria, and Turkey. Total imports this season likely will about equal offtake and leave stocks unchanged from the near-minimum beginning carryover of 11,000 bales.

Costa Rica's Kenaf Problems

The 1962 yield of Costa Rican kenaf was only about 700 or 800 pounds per acre in 1962, or half the expected average. An estimated 450,000 pounds of fiber were produced in 1962, compared with 600,000 pounds in 1961.

The adverse weather conditions which the crop encountered in its first recent years of cultivation are still having a stunting effect on crop size. In 1962, more serious weather conditions interfered with production.

In an effort to surmount weather obstacles, a later variety will be planted this year at Guanacaste so that harvesting of the fiber could take place in November when rains are less intensive.

World Trade in Cloves Drops in 1962

World exports of cloves during 1962 amounted to 27.6 million pounds, 10 percent below 1961 exports of 30.5 million. Shipments from Zanzibar, the world's largest producer, totaled 17.7 million pounds, compared with 18.6 million in 1961. Exports from the Malagasy Republic amounted to 9.9 million pounds, down from 11.9 million the previous year. Zanzibar and the Malagasy Republic supply about 98 percent of the cloves entering into world trade. A slackening of the clove demand in Indonesia, the world's largest importer of cloves, is the major reason for the decline.

Malagasy Republic's Vanilla Exports Up

Exports of vanilla beans from the Malagasy Republic (the world's largest producer and exporter) during 1962 totaled 640 metric tons, compared with 585 tons the previous year. The high level of exports is attributed to the larger availability of supplies from the bumper 1960 and 1961 harvests. Although the 1962 crop was reduced to an estimated 350 tons, a bumper outturn is forecast for 1963.

The Malagasy Republic supplied 80 percent of the vanilla imported into the United States, the world's largest vanilla consumer. During 1962, U.S. vanilla imports totaled 716 tons, up from 613 tons in 1961.

Brazil's Coffee Exports Drop

Coffee exports from Brazil for the first 8 months of the 1962-63 coffee marketing year (July-February) totaled 11,693,947 bags, compared with 12,489,047 bags during the same period of 1961. Exports for February 1963, however, amounted to 1,511,386 bags, the highest for the month of February since 1959.

Sugar Price Support Announced by Canada

Canada's Agricultural Stabilization Board has announced that the 1962 sugar support price of $12.75 per short ton of beets yielding 250 pounds of refined sugar will remain in effect for 1963.

If world sugar prices remain at their present height, it is quite possible the Stabilization Board will not be required to make a deficiency payment to Canadian sugar beet growers for their 1963 crop.

The wholesale refined price of sugar f.o.b. Montreal increased from $7.20 in October of 1962 to $11.95 in March of 1963. This compares with the price rise in the United States of $9.15 in October 1962 to $10.20 in March 1963.

Austria Exports More Dairy Products

Austria's exports of dried milk, which have been rising for several years, increased in 1962 to 19 million pounds—26 percent above 1961. Almost half of 1962 shipments went to the United Kingdom. West Germany received 8 million pounds and Switzerland, 2 million.

Butter sales in Austria were up 1 million pounds to 8 million pounds. Italy took 3 million pounds, and the United Kingdom and West Germany, 2 million each.

Austria exported a record 18 million pounds of cheese in 1962 compared with 15 million in 1961. For the past several years, the principal market for Austria's cheese has been Italy which in 1962 took close to 80 percent of all Austrian cheese shipments. The United States purchased about 1 million pounds. The remainder of 1962 exports went to Western European countries, particularly West Germany, Belgium, Switzerland, and the United Kingdom.

Imports of cheese were up 4 percent to 8 million pounds. Principal suppliers were Denmark, 3 million, Finland, 2 million, and the Netherlands, 1 million. Other suppliers: W. Germany, Italy, France, Switzerland, Czechoslovakia.

Philippines May Require Rice Imports

The Philippine Republic may need rice imports in 1963 beginning about July 1. At the present per capita level, current supplies appear short of overall requirements. In order to stabilize prices, as many as 150,000 metric tons of milled rice may be imported for domestic needs.

The Philippines imported no rice in 1962. The 1961-62 harvest (mainly December-January) was a good one, and large supplies were on hand at the beginning of the year. Almost all 1961 imports (9,200 tons) were from Thailand.

Canada Plans Slightly More Grain Acreage

Canada's grain acreage in 1963 may be about 1 percent above 1962, according to March intentions of farmers.

Planned increases for other grains are partly offset by a proposed reduction in acreage of oats. Wheat acreage will be slightly larger than last year, if plans are carried out. However, the government has emphasized that these are merely early-season intentions, subject to change.

More plantings of bread-type wheat will probably account for the 1-percent rise in total wheat acreage. A cut of 1.2 million acres is planned for durum—a million acres from Saskatchewan and 200,000 acres from Alberta.

Prospective barley acreage is up about 600,000 acres while oats for all purposes shows a planned reduction of approximately 500,000 acres. Any increases in wheat and barley would be largely offset by reduced acreage in summerfallow as well as oats.

GRAIN: CANADIAN SEEDING INTENTIONS, 1963

Grain	1960	1961	1962	Intended for 1963
	1,000 acres	*1,000 acres*	*1,000 acres*	*1,000 acres*
Winter wheat	525	561	450	490
Spring wheat	24,013	24,755	26,443	26,570
Total wheat	24,538	25,316	26,893	27,060
Oats for grain [1]	11,184	11,530	11,998	11,518
Barley	6,857	5,529	5,287	5,866
Rye	561	561	668	691
Mixed grains	1,366	1,566	1,522	1,538
Corn for grain	456	400	421	451
Total grain	44,962	44,902	46,789	47,124
Summer fallow [2]	26,893	27,860	27,398	27,009

[1] Includes acreage for hay, including Prairie Provinces. [2] In Prairie Provinces only.

Mexico To Grow More Rice

Mexico plans to increase rice acreage in 1963 to a record 371,000 acres to counterbalance last year's dropback to 331,000 acres from 1961 totals of 362,000.

Major expansion will be in the State of Sinaloa, the producer of 42 percent of the present crop. Sinaloa suffered large declines as it experienced a combination of weather damage and a 45,000-acre decrease. Its losses accounted for much of the country's 9-percent drop in rice output. The State, however, has several thousand additional acres suitable for rice should irrigation by provided.

Except for the 1962 figures, Mexico's rice acreage has risen steadily from an average of 190,000 acres in 1945-49 to 285,000 in 1955-59. Higher yields per acre have helped production increase rapidly. From 1950 through 1960 rice acreage rose 24 percent; yields per acre, 13 percent; and production, 40 percent.

Crop damage has resulted in a higher-than-normal proportion of broken grains which will, in turn, limit 1963 exports largely to broken rice. It may also lead to the importation of higher grades of rice this year.

Exports in 1962 reached a record 63,023 metric tons of milled rice. Most of it was exported by CONASUPO (Compania Nacional de Subsistencias Populares) during the fourth quarter.

Official statistics show nearly half—30,082 tons—went to the Soviet Union. The 13,450 tons reported by the trade as going to Switzerland actually were shipped to Dakar (Senegal) through a Swiss firm.

Mexicans have increased rice consumption sharply in recent years. Not only is it rising because of growing population, but the amount of milled rice per capita is greater: 1959 (10 lb.), 1960 (15 lb.), and 1961 (17 lb.)

Year	Acreage	Yield per acre	Production	
	1,000 acres	*Pounds*	*1,000 cwt.*	*1,000 M.T.*
Average:				
1945-49	190	1,731	3,289	149
1950-54	235	1,574	3,699	168
1955-59	285	1,854	5,283	240
1960	352	2,051	7,220	328
1961	362	2,028	7,340	333
1962 [1]	331	2,025	6,702	304
1963 [1]	371	—	—	—

[1] Preliminary, unofficial estimates.
Compiled from official data, except as noted.

Belgium-Luxembourg Imports More Rice

Rice imports into Belgium-Luxembourg for January-September 1962 rose to 45,200 metric tons from 36,200 in the same months of 1961. Much of the increase consisted of broken rice imported largely for industrial purposes.

Milled and other rice imports, at 16,400 tons for 1962, were 2,400 more than in January-September 1961. A sharp decline in milled rice from the United States was offset by larger quantities from Communist China, Uruguay, Argentina, and Brazil.

BELGIUM-LUXEMBOURG: RICE IMPORTS BY COUNTRY OF ORIGIN, JANUARY-SEPTEMBER, 1961 AND 1962

Origin	Milled	Broken	Other	Total
	Metric tons	*Metric tons*	*Metric tons*	*Metric tons*
1961:				
Argentina	—	2,107	—	2,107
Burma	—	1,751	—	1,751
Brazil	1,788	4,120	—	5,908
Communist China	—	3,518	45	3,563
Egypt	—	4,286	—	4,286
Spain	2,125	—	—	2,125
Thailand	—	2,164	—	2,164
United States	5,677	2,083	2,662	10,422
Others	1,680	2,136	70	3,886
Total	11,270	22,165	2,777	36,212
1962:				
Argentina	1,536	2,513	374	4,423
Burma	—	12,793	353	13,146
Brazil	3,043	2,418	—	5,461
Communist China	2,541	610	1,928	5,079
Thailand	—	6,496	200	6,696
United States	1,179	1,310	639	3,128
Uruguay	1,881	—	746	2,627
Others	1,022	2,659	997	4,678
Total	11,202	28,799	5,237	45,238

Australia Sets Canning Fruit Price Level

Minimum grower prices for canning fruit in 1963 have been established by the Australian Fruit Industry Sugar Concession Committee.

Prices this season were set at the same level as last year. These minimum prices are mandatory for processors who desire to qualify for domestic and export sugar rebates.

AUSTRALIAN MINIMUM PRICES FOR FIRST-QUALITY CANNING FRUIT [1]

Fruit	Price per short ton 1960	1961	1962	1963
	U.S. dol.	*U.S. dol.*	*U.S. dol.*	*U.S. dol.*
Apricots	60	76	86	86
Peaches, cling clear center	80	88	88	88
Peaches, cling others	76	84	84	84
Peaches, free stone	52	60	60	60
Pears, Bartlett	76	84	84	84
Pears, Packham's Triumph	60	68	68	68

[1] Delivered either to the grower's railroad siding or to the cannery door.

Record Large Australian Canned Fruit Pack

The 1963 Australian canned deciduous fruit pack may equal or slightly exceed the 7.6 million cases (24 = 2½ basis) record set in 1962.

The Australian Canned Fruits Board has not yet released official estimates for 1963, but present indications point toward a new record canned peach pack while the canned pear pack will probably equal last year's. Smaller canned apricot and mixed fruit packs are expected.

Australian canned deciduous fruit exports in 1963 are now expected to exceed the record 4,280,000 cases shipped in 1962. Shipments of canned apricots, peaches, and mixed fruits are expected to increase while shipments of canned pears may be down. The United Kingdom is the major market for Australian canned fruits taking over 4 million cases (95 percent of the total) in 1962. Exports to the U.K. are expected to hold this level in 1963.

AUSTRALIAN PRODUCTION AND EXPORTS OF CANNED FRUITS, 1960-63

Canned Fruit	Average 1956-60	1960	1961	1962	Estimated 1963
	1,000 cases [1]	*1,000 cases* [1]	*1,000 cases* [1]	*1,000 cases* [1]	*1,000 cases* [1]
Production					
Apricots	701	576	334	918	800
Mixed Fruit	233	201	190	441	400
Peaches	1,862	2,045	1,675	3,259	3,500
Pears	2,130	2,415	2,621	3,006	3,000
Total	4,926	5,237	4,820	7,624	7,700
Exports					
Apricotts	360	278	76	317	350
Mixed fruit	102	99	121	157	250
Peaches	1,003	1,100	793	1,564	1,660
Pears	1,655	2,016	1,871	2,242	2,100
Total	3,120	3,493	2,861	4,280	4,360

[1] Cases equal 24 No. 2½ cans.

Spain's Table Olive Pack Small

Spain's 1962 pack of export-type olives is now estimated at 35,100 short tons—a slight reduction from the earlier forecast of 36,900 tons. The 1962-63 forecast, however, has been increased to 43,100 tons, since early 1962 carryover stocks were revised upward.

While the production of "Manzanillas" this season topped the 1961-62 crop by 2,900 tons, the production of "Gordals" (i.e. "Queens") was less than half the amount produced in 1961-62. The production of other exportable varieties also declined substantially in 1962-63.

The 1962 table olive crop was reported to have been harvested before the snow and freezes that occcurred in December 1962. Also, there have been no reports of tree damage from these storms. There was, however, considerable controversy reportedly among the Spanish trade as to the reasons for the decline in table olive production this season. Some believe that the large droppage of olives from the trees was due to the exceedingly dry and hot weather during the summer of 1962, while others maintain that the heavy rains that fell during the winter of 1961-62 caused many new roots to rot, thereby reducing the amount of nutrients that the trees could assimilate.

Spain's table olive exports during the 1961-62 marketing season (December 1-November 30) totaled 48,600 short tons, a considerable decline from the 62,328 tons shipped in 1960-61 but well above earlier expectations. Export data by country of destination are not yet available for the 1961-62 season, but the United States, Brazil, Canada, and Italy continued to be the main purchasers. In the current 1962-63 season, the Spanish trade reports that table olive exports to the United States, Canada, and Puerto Rico

totaled 6,600 short tons through February 15, 1963. Shipments to Brazil during the same period amounted to about 875 tons.

On March 1, the following prices were established as a minimum for which export permits would be issued:

	Dollars per short ton
Whole Queens	726
Second Class Queens	680
Stuffed Queens	943
Stuffed Manzanillas	662

Other types and varieties are not subject to price or trade controls.

Processors report that the labor cost of preparing stuffed olives has increased by about $60 per short ton since the minimum wage was increased from 60 cents to $1.00 per day and wages for women were established at the same level as for men. Inasmuch as the bulk of the work in olive oil processing and packing is done by women this has accounted for the major part of these increased costs.

Another factor affecting the cost of stuffed olives is the increase in the price of pimentos. Packers report that pimento prices have increased from around 11.3 cents per pound last season to an alltime high of 34.0 cents. It has been estimated that about 550 to 600 pounds of pimentos are needed to turn out 1 short ton of stuffed olives.

SPANISH TABLE OLIVE SUPPLY AND DISTRIBUTION
1961-62 AND ESTIMATED 1962-63

Year and type	Beginning stocks	Production	Total supply
Supply:			
1961-62			
Exportable quality:	*Short tons*	*Short tons*	*Short tons*
Manzanillas	7,300	24,300	31,600
Queens	500	14,500	15,000
Others	4,800	9,700	14,500
Total	12,600	48,500	61,100
Nonexportable	—	9,400	9,400
Total olives	12,600	57,900	70,500
1962-63 estimate			
Exportable quality:			
Manzanillas	3,900	27,200	31,100
Queens	700	5,500	6,200
Others	3,400	2,400	5,800
Total	8,000	35,100	43,100
Nonexportable	—	6,300	6,300
Total olives	8,000	41,400	49,400

	Exports	Domestic consumption	Ending stocks
Distribution:			
1961-62			
Exportable quality:	*Short tons*	*Short tons*	*Short tons*
Manzanillas	22,800	4,900	3,900
Queens	13,600	700	700
Others	7,200	3,900	3,400
Total	43,600	9,500	8,000
Nonexportable	5,000	4,400	—
Total olives	48,600	13,900	8,000
1962-63 estimate			
Exportable quality:			
Manzanillas	24,300	5,000	1,800
Queens	6,200	—	—
Others	2,700	3,100	—
Total	33,200	8,100	1,800
Nonexportable	4,400	1,900	—
Total olives	37,600	10,000	1,800

Ceylon's Exports of Coconut Products Up

Ceylon's exports of copra in 1962, at 72,382 long tons, were nearly one-third greater than the 54,987 tons shipped in 1961. Coconut oil exports increased from 1961 by 11 percent in 1962 to 102,171 tons. Desiccated coconut exports rose by one percent to 54,913 short tons.

Greek Olive Oil Production Down Sharply

Greece's production of olive oil in 1962-63 is officially estimated at only 61,500 short tons compared with the record outturn of 250,000 tons in 1961-62. The current "offyear" oil outturn is the smallest since 1950-51 partly because of infestation of the dacus fly; however, quality of the oil is about average.

Exports of olive oil in the current marketing year, November-October 1962-63, were expected to approach 5,000 tons. Of this quantity, nearly 4,200 tons were moved during November and December 1962, much having been booked previously for export during the latter part of the 1961-62 marketing year. However, additional exports were prohibited by the government in late December.

No imports of olive oil are anticipated in 1962-63 since domestic consumption will be maintained largely from heavy stocks carried forward from last year's record crop.

Because of the reduced 1962-63 olive oil outturn, the government on January 3 authorized controlled blending and sale of olive and seed oils. The oils are blended using 50 percent olive oil and 50 percent seed oils. The blend is made available to wholesalers at 14.5 drachmas per kilogram (21.9 U.S. cents per pound).

Seed oil imports for use in blending with olive oil during the 1962-63 marketing year are expected to exceed 25,000 tons, largely soybean oil from the United States. Arrivals through mid-March amounted to about 15,000 tons, nearly 9,000 coming from the United States.

Good Moisture in China's Surplus Soybean Belt

The major surplus-soybean producing area of Mainland China—Northeast China (Manchuria)—which comprises the provinces of Liaoning, Kirin, and Heilungkiang, appears to have had relatively normal weather during the fall and winter of 1962-63. Apparently, most of the area is going into the spring planting season with average or above-average moisture conditions.

Over the south and east, precipitation has been normal to greater-than-normal since last fall. The western fringe may have had less-than-average precipitation. How far this reached into the northeast is not clear; probably a severe dry spell over most of the fall and winter covered considerable proportions of Harbin and the bean areas along the Sungari River. Late in January and early in February, however, fairly heavy snow reportedly covered the country's northeastern crop area with the possible exception of the western edge.

Canadians Plan To Plant More Oilseeds

As of March 1, Canadian farmers planned to increase this year's flaxseed, rapeseed, and soybean acreages from actual acreages seeded in 1962, according to the annual

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acreage intentions survey conducted by the Dominion Bureau of Statistics. The "intended" acreages are merely indicative of farmers' plans on March 1, and acreage actually seeded, therefore, may vary considerably from plans.

CANADIAN OILSEEDS ACREAGE, 1960-62 AND ACREAGE INTENTIONS AS OF 3/1/63

Oilseed acreage	Seeded acreage			Intended acreage	
	1960	1961	1962	1963	1963 as % of 1962
	1,000 acres	*1,000 acres*	*1,000 acres*	*1,000 acres*	*Percent*
Flaxseed	2,507.5	2,075.4	1,414.6	1,570.1	111
Rapeseed [1]	763.0	710.3	404.5	431.0	107
Soybeans	226.5	212.0	221.0	[2] 236.0	107

[1] Prairie Provinces only. [2] Ontario only; estimate for Manitoba not available.
Dominion Bureau of Statistics, Ottawa.

Prospective flaxseed acreage indicates an 11 percent increase from 1962, but a 38-percent decrease from the 1957-61 average of 2.5 million acres. The bulk of the flaxseed is in the Prairie Provinces.

The acreage sown to rapeseed, also grown in the Prairie Provinces, will increase 7 percent from 1962 but will be one-fourth less than the 1957-61 average of 586,100 acres, if intentions are confirmed.

Soybean acreage in Canada, virtually all in Ontario, is expected to be up 7 percent from last year.

Canada's production in 1962 of the above three oilseeds was as follows: rapeseed—318 million pounds; flaxseed—15.7 million bu.; and soybeans—6.6 million bu.

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